

**MINUTES
OF THE WORK SESSION OF THE
EDINA CITY COUNCIL
HELD AT CITY HALL
SEPTEMBER 13, 2010
5:09 P.M.**

ROLLCALL Answering rollcall were Members Bennett, Brindle, Housh and Mayor Hovland. Member Swenson was absent.

Staff present: Heather Worthington, Interim City Manager; Cary Teague, Director of Planning; Ceil Smith, Assistant to the City Manager; and Debra Mangel, City Clerk.

Mayor Hovland called the meeting to order and stated the purpose was to review issues related to the proposed development: The Waters Senior Living of Edina.

Interim City Manager Worthington stated that Shelter Corp. had four items to discuss with the City Council: 1) Final Plat, 2) Park Dedication, 3) Potential TIF Pay-As-You-Go District and 4) Issuance of a Conduit Bond. Ms. Worthington noted that staff had reviewed the issues with Shelter Corp and believed that the proposed park dedication was fairly negotiated, but she added the Council must determine its comfort level with each issue.

Jay Jenson, Shelter Corp. presented the Waters Senior Living of Edina's proposal for payment of park dedication. Mr. Jenson stated that while it was clear that Shelter Corp. should pay for park dedication, it also was clear that payment should be in relation to use. He proposed a reduction of the amount that would be due according to the ordinance, \$695,000. Mr. Jenson requested subtraction of what he termed "public" costs totaling \$189,900 and half of "private recreational costs" of \$385,000 for facilities built at the Waters. The subtractions would leave a park dedication fee of \$312,000

The Council and staff had a discussion of the City's park dedication ordinance, its background, implementation, and the latitude granted to Council by this section of Edina's Code. Ms. Worthington noted that park dedication was collected when there was a subdivision of land and could be land donated, land and cash or only cash. She said there must be a relationship between the required dedication and the Park Capital Improvement Program. Director Teague reviewed the results of his preliminary survey of surrounding communities. Concern was expressed over various aspects of the proposed dedication, and staff was directed to supply more background to Council for another discussion.

Ms. Worthington said that the proponents have also requested the Council consider two other financing tools: establishment of a Tax Increment Financing District "Pay-As-You-Go District" and use of the City's Conduit Bonding Authority. Mark Ruff, Ehlers Financial Consultant for the City gave a brief overview of what would be required of the Council to establish a TIF District and to allow the use of conduit bonds for this project.

Council discussed the "affordability" component of the TIF proposal, issues related to the conduit bonding authority, and the question of public benefit to justify the public expense. The proponent stated they would proceed with the project with or without the two financing tools. The final plat and park dedication would most likely be considered by the Council within the next sixty days. The establishment of a TIF District or authorization of conduit bond financing will be discussed at another work session after receiving additional data on these issues.

Ms. Worthington announced to the Council her resignation effective October 6, 2010, as she had accepted a position as the Deputy County Manager for Ramsey County. Council directed staff to place this topic for discussion on the work session for September 21, 2010.

Mayor Hovland adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Debra A. Mangel, City Clerk

Minutes approved by Edina City Council, September 21, 2010.

James B. Hovland, Mayor